Approved For Release 2000/08/29 : CIA-PP (9R00890A000100090017-9

Time

Chief, Economic Research Area : Chief, Materials Division chief, Food and Agriculture Branch, D/A

LISENT NO. IN OLASS, LJ

Summary analysis of recent \SSR announcements in regard to agriculture.

- 1. From the beginning of the bolshevik regime the procurement of ferm products to feed urban workers was and still is a major problem of the government of the Soviet Union.
- 2. Suring the 10 years preceding World War II, collectivization accompanied by mechanisation had not sufficiently developed to enable the government, through forced deliveries and purchase of farm "surpluses" of farm products, to provide the population of the Soviet Union with an average standard of living equivalent to the average enjoyed under the Tzer's regime preceding World War I. During the war the situation worsened. Up to 1949 the production of major foodstuffs had not regained the prewer level in spite of all government efforts.
- 3. The government attempted to belster the supplies of mest, milk, butter and eggs by forcing collective farm households to sell their cattle, sheep, hogs, and chickens to the communal farm economy. This left 40 percent of the peasant households without livestock and with a bitter attitude toward collectivisation and an apathy toward working on the communal fields of the collective farms. The production of potatoes and vegetables on communal fields also fell off sharply.
- h. In 1949-50 the government took punitive measures and virtually rescinded the charter given to each collective farm in 1935 guaranteeing its boundaries inviolate and consolidated the 25h,000 separate collective farms into 9h,000 big farming enterprises each including two or more farm villages.
- 5. The government them started to concentrate the villages on each big farming enterprise into a single big settlement called an "agrogorod". This consolidation meant the loss to the collective farm households of their ancestral private garden plots that had been cultivated by their families for generations and which before World War II accounted for 20 percent of the total production of the USSR; a part of which the pessants sold on the open market. This step by the government created such unrest among the farmers, who were Iresiy bitter over the loss of their privately owned livestock, that the scheme had to be abandoned.
- 6. The government had 94,000 big farms which were poorly managed and inefficiently serviced by 6,950 Mechine-Tractor Stations.
- 7. The Kremlin is now strengthening the government-owned machine-Tractor Stations to become the decisive force in agricultural production and is putting the 9h,000 big farms under their control reducing the pessents to a secondary role.
- 6. Until the government can develop the Machine-Tractor Stations to the poiApproved For Release 2000/08/29: CIA-RDP79R0089040000000017-9

一方流数度

of the collective farm houssholds is required, and concessions must be made to interest the farmers to work harder.

- y. The government has reduced the norm for required deliveries for both collective forms and collective farm households and increased the prices paid for both required deliveries and surpluses. It has temporarily reduced certain taxes, offers boneuses, and makes advance payments. It is increasing the symbolity of consumer goods to be exchanged for farm products. All this is to stimulate the collective farmers to produce bi-ger surpluses.
- 10. The collective form worker will probably be stimulated. To responded to the stimulation applied to induce him to grow more cotton, sugar bests, tea, and citrus fruit. The degree to which he responds to stimulation, however, cannot be predicted at this time.
- 11. It is probable, however, that whatever increase in production, if any, that may take place during the next year or two, will be due more to the activities of the collective farm households than to any other cause or group.
- 12. As the Machine-Fractor Stations increase their role as the decisive force in agricultural production they will take over control of peasant markets and eliminate them as a source of cash income.
- 13. The private economy of the collective farm households will be weakened and the peasints themselves will become more and more dependent upon the collectivised economy and will sooner or later receive their wages in cash. The collective farms themselves will become, in act, big agricultural enterprises wholly managed by the State.
- 14. The agrogorod inhabited by a rural projetariate will become, eventually, a resulty.
- 15. If this goal can be achieved, the Kremlin will be freed from the uncertainties attending the present existence of a rural capitalistic class which will leave the Soviet rulers free, more vigorously than ever, to prosecute their struggle with the non-Communist world.

25X1A9a

LOM: jam